

# Memorandum

Date : July 17, 2000  
Telephone: (916) 653-1614

To : William J. Keese, Chairman and Presiding Member      File: July 17 Status Report.Doc  
Robert A. Laurie, Commissioner and Associate Member

From : California Energy Commission - Richard K. Buell  
1516 Ninth Street      Siting Project Manager  
Sacramento, CA 95814-5512

Subject : THREE MOUNTAIN POWER PROJECT ~ Staff's July 17, 2000 Status Report

The Three Mountain Power Project Committee's July 10, 2000 order **Notice of Revised Schedule** directed parties to file a status report on the 17<sup>th</sup> of each month through conclusion of the evidentiary hearings. This is staff's July 17, 2000 response to that order.

## **PROJECT AMENDMENT**

Two key events occurred since our last status report: 1) on July 12, 2000, the applicant and California Unions for Reliable Energy (CURE) filed their joint mitigation proposal<sup>1</sup>, and on July 11, 2000, the Shasta County Air Quality Management District (District) rescinded its June 9, 2000, Authority to Construct/PSD Permit at the applicant's request. These two events potentially affect staff's analysis in a number of topic areas. That is not to say that staff expects significant environmental impacts to remain as a result of the joint mitigation proposal, or that substantial analysis is required to address the elements of the joint mitigation proposal. Rather that staff believes that the record for some topic areas will need to be reopened, and for other areas staff will need to revise its analysis to reflect these changes. Preliminarily those areas are:

Topic Areas for Which the Evidentiary Record will Need to be Reopened	Topic Areas not yet heard, that will Require New or Additional Analysis <sup>2</sup>
Project Description	Air Quality
Land Use	Public Health
Visual Resources	Biological Resources
Waste Management	Soils & Water Resources
Power Plant Efficiency	Noise

Staff expects the applicant to file a formal amendment to the project proposal during the week of August 14, 2000. The applicant will also provide an updated project description as part of its Biological Assessment (BA) to be filed this week. Based on these submittals, staff will be able to provide an evaluation of the topic areas affected by the joint mitigation proposal, and to identify whether additional data requests are necessary to understand or evaluate the project's environmental consequences. Staff proposes workshop(s) in August to provide the

---

<sup>1</sup> "Joint Mitigation Proposal of Three Mountain Power, LLC and the California Unions for Reliable Energy (CURE)", dated July 12, 2000.

<sup>2</sup> Staff's testimony on public health and noise has already been filed, and will require amendment. The topic of alternatives has not yet been filed, but staff does not believe that its alternatives analysis will be affected by the joint mitigation proposal.

applicant and parties the opportunity to share information regarding the joint mitigation proposal, and perhaps forestall the need for additional data requests.

### ***BIOLOGICAL RESOURCES***

Staff understands that the applicant is in the process of providing the U.S. Environmental Protection Agency (EPA) with a Biological Assessment (BA), which is necessary to begin a Section 7 consultation with U.S. Fish and Wildlife Service (USFWS). The applicant intends to file the BA with EPA during the week of July 17, 2000. The applicant has indicated that the BA will include a revised project description addressing the joint mitigation proposal, which will need to be evaluated by USFWS, California Department of Fish and Game, and staff. Once USFWS has received the BA from the EPA, it will have 30 days to conduct a data completeness determination. Staff expects that the completeness determination could be available by mid-August 2000. If so, staff will be able to suggest a schedule for the balance of the proceedings in its August status report.

### ***AIR QUALITY***

The District rescinded its Final Determination of Compliance (FDOC) on July 11, 2000 at the applicant's request. Staff had identified some concerns with the FDOC. These concerns relate to the use of interpollutant emission offsetting for ozone precursor pollutants, and changes in the number of wood stoves required to offset the project based on the combustion turbine selected for the project. Staff proposes to discuss these concerns and other changes in the rescinded FDOC at the workshop proposed for August 2000.

### ***WATER RESOURCES***

Staff had previously reported that in its June 30 status report:

"On June 15, 2000 the Central Valley Regional Water Quality Control Board (Board) met to consider the draft Waste Discharge Requirements (WDRs) developed by the Board staff. The Board adopted the draft WDRs with minor changes to address concerns raised by the parties to the Three Mountain Power Project siting case. The issue of whether the Board should apply the State Water Resources Control Board's (SWRCB) Policy 75-58 was also raised at the Board hearing. The Board was uncertain whether or how to apply the policy on the Three Mountain Power Project, and forwarded the draft WDRs and a request for clarification of the policy to the SWRCB."

However, based on staff's preliminary review of the joint mitigation proposal, staff believes the WDRs are no longer required for the project, since the project's waste water discharge has been eliminated.

Regarding the **joint intervenor's motion to compel production of information** regarding dry and wet/dry cooling, it is unclear to staff whether this motion is still relevant. Staff notes that the applicant will be providing additional information regarding its hybrid parallel wet/dry cooling proposal in the BA this week and in its amendment in mid-August. Pending receipt of this information, staff reserves judgment of whether additional information is required by any other party to address conformity with the SWRCB 75-58. Staff believes that the joint mitigation proposal likely addresses the SWRCB Policy 75-58. Staff will address its findings

WILLIAM J. KEESE

July 17, 2000

Page 3

regarding that policy and will evaluate the environmental consequences of the joint mitigation proposal in its Final Staff Assessment (FSA) for soil & water resources.

Regarding the Burney Resources Group's **motion to stay the proceedings** pending a 5-year ground water resource study, staff is again unclear whether this motion is still relevant. We defer to the Burney Resource Group to address this question.

### ***ALTERNATIVES***

Staff has nothing new to report regarding its alternatives analysis at this time.

RKB:rkb

cc: Three Mountain POS List  
Mr. Michael Kussow, P.E.  
CVRWQCB  
USFWS  
CDFG